

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF MICHAEL J.)	APPEAL NO. 06-A-2110
CLEEVES from the decision of the Board of)	FINAL DECISION
Equalization of Lemhi County for tax year 2006.)	AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing October 31, 2006, in Salmon, Idaho, before Board Member David E. Kinghorn. Board Member Lyle R. Cobbs participated in this decision. Appellant Michael Cleeves appeared. Assessor R. J. Smith and Appraiser Raymond Muscarell appeared for Respondent Lemhi County. This appeal is taken from a decision of the Lemhi County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RP20N21E360604A.

The issue on appeal is the market value of residential property.

The decision of the Lemhi County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$179,892, the improvements' valuation is \$62,297, totaling \$242,189. Appellant requests the land value be reduced to \$105,000, and the total valuation be reduced to \$167,297. The improvements' assessment is not under dispute.

The subject property is an improved residential parcel that is 15.25 acres in size. A portion of subject is a steep sloped hillside while the remaining land is flat and fronts the Salmon River. Subject is located near Salmon, Idaho.

Appellant contended the 5.3 acre hillside portion of subject is useless because it is comprised of shale rock and contains no appropriate building areas. As such, Appellant argued this portion should be valued at \$1,000 per acre rather than \$11,794 per acre as assessed.

Respondent provided a number of time-adjusted sales in subject's area from 2002 to 2005 that indicated a price range of \$10,408 to \$30,316 per acre. Respondent noted the price per acre

usually declines as the lot size increases. Respondent also provided sales during 2006 to demonstrate that prices for riverfront properties in the area continue to increase at a high rate.

Respondent explained that topography adjustments are avoided when assessing parcels larger than one acre because larger parcels will typically contain “some kind of blemish”. It was acknowledged that while the shale rock on subject may hold less value, the rapidly increasing value of riverfront property in the area, supports the assessment of the overall parcel.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho relies on the market value approach in assessing property for tax purposes, as defined in Idaho Code § 63-201(10):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellant argued the shale contained in subject’s hillside was a detriment that should lower the assessed value.

Respondent presented several time-adjusted sales in subject’s area to support the assessment.

The Board finds to prove an assessment erroneous and to know it is erroneous, Appellant must establish what the correct valuation was, lacking such evidence, the Appellant fails to meet

the burden of proof. Appellant provided no evidence to support a reduction in subject's value. Respondent, on the other hand, provided ample data to support the assessment. The 2006 sales, however, were untimely for the purpose of determining subject's value because they occurred after the January 1st lien date used for 2006 assessments. The earlier sales were appropriately time adjusted and provide a reasonable basis for establishing subject's value. Accordingly, the Board will affirm the decision of the Lemhi Board of Equalization.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Lemhi County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 6th day of April , 2007.